

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☒ INFORMATION ☐ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED

Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and 18 U.S.C. Section 2.

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

PENALTY: Twenty (20) years imprisonment; fine \$5,000,000 or twice the gross gain or loss, whichever is greater; supervised release three (3) years; special assessment \$100.

E-filing

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEFENDANT - U.S.

ADNAN S. ZAMAN

DISTRICT COURT NUMBER

CR09**1178****DEFENDANT****SI****IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

- 1)
- ☒
- If not detained give date any prior summons was served on above charges

- 2)
- ☐
- Is a Fugitive

- 3)
- ☐
- Is on Bail or Release from (show District)

IS IN CUSTODY

- 4)
- ☐
- On this charge

- 5)
- ☐
- On another conviction

☐ Federal ☐ State

- 6)
- ☐
- Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

- ☐
- person is awaiting trial in another Federal or State Court, give name of court

- ☐
- this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

- ☐
- this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

- ☐
- this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

- ☐
- prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

Thomas E. Stevens

ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**

- ☐
- SUMMONS
- ☐
- NO PROCESS*
- ☐
- WARRANT

Bail Amount: _____

If Summons, complete following:

- ☐
- Arraignment
- ☐
- Initial Appearance

Defendant Address:

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: _____

Before Judge: _____

Comments:

JOSEPH P. RUSSONIELLO (CSBN 44332)
United States Attorney

E-filing

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

SI

UNITED STATES OF AMERICA,

Plaintiff,

v.

ADNAN S. ZAMAN,

Defendant.

CR09

1178

VIOLATION: Securities Fraud, 15 U.S.C.
§§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5
and 240.10b5-2; 18 U.S.C. § 2

SAN FRANCISCO VENUE

INFORMATION

The United States Attorney charges that, at all times relevant to this Information:

GENERAL ALLEGATIONS

1. Lazard Ltd. ("Lazard") was a publicly-traded financial advisory and asset management firm which, among other things, provides advice to public and private companies on mergers and acquisitions, restructuring and capital raising.

2. ADNAN S. ZAMAN ("defendant" or "ZAMAN") was a resident of San Francisco, California. Between 2001 and June 2007, the defendant worked for Lazard in its San Francisco office. ZAMAN's duties included, among other things, assisting in providing merger and acquisition advisory services to Lazard's clients.

3. Person A, known to the United States Attorney's Office, was a close friend of

1 ZAMAN's, and was employed at Company A in San Francisco. Company A's business
2 involved, among other things, the acquisition of publicly-traded companies.

3 4. Person B, known to the United States Attorney's Office, was a resident of
4 Emeryville, California, and was a close friend of ZAMAN's.

5 5. Person C, known to the United States Attorney's Office, was a resident of
6 Emeryville, California, and was a friend of Person B and an acquaintance of the defendant during
7 the relevant time period.

8 **DUTIES RESPECTING MATERIAL, NON-PUBLIC INFORMATION**

9 6. By virtue of his own involvement in particular transactions, or through
10 communications with other Lazard employees, ZAMAN was aware of, and had access to,
11 material non-public information about Lazard clients and potential transactions.

12 7. ZAMAN owed to Lazard and its clients fiduciary and other duties of trust,
13 confidence and confidentiality. Lazard had written policies that barred trading without pre-
14 approval, and prohibited the dissemination of material, non-public and confidential information
15 relating to pending transactions in which Lazard was involved. Through repeated training and
16 other means, ZAMAN knew of these policies and agreed to abide by them.

17 8. ZAMAN was a close friend of Person A and knew that Person A owed to
18 Company A fiduciary and other duties of trust, confidence and confidentiality respecting, among
19 other things, material, non-public information concerning potential Company A transactions.

20 **CONFIDENTIAL TRANSACTIONS**

21 9. During the period late 2006 to mid-2007, Lazard provided financial advisory
22 services to Lazard clients in connection with certain transactions. These transactions included,
23 but were not limited to, the transactions identified in the following table:

24 Transaction Name	Summary	Public Announcement Date
25 Myogen	acquisition of Myogen by Gilead Sciences, Inc.	October 2, 2006
26 webMethods	potential acquisition of webMethods by Lazard Client A	27 April 5, 2007 (acquired by Software AG)

28 Prior to the public announcement dates of these transactions (the "Lazard Transactions"), the

1 existence of the Lazard Transactions was material, non-public information. Due to ZAMAN's
 2 position at Lazard, he had access to, and was aware of, this material, non-public information (the
 3 "Lazard Inside Information").

4 10. During the period late-2006 to May 2007, ZAMAN learned from Person A that
 5 Company A was engaged in certain confidential transactions involving the acquisition or
 6 potential acquisition of certain publicly-traded companies. These transactions included the
 7 transactions identified in the following table:

8 Transaction Name	Summary	Public Announcement Date
9 Sabre Holdings Corp.	acquisition of Sabre Holdings by Company A and another company	December 12, 2006
10 TXU Corp.	acquisition of TXU by Company A and other companies	February 23, 2007
11 Alliance Data Systems	potential acquisition of Alliance Data Systems by Company A	May 17, 2007 (acquired by Blackstone Group)

12 ZAMAN knew that prior to the public announcement dates, the existence of the transactions
 13 summarized above (the "Company A Transactions") was material, non-public information. He
 14 also knew that, due to Person A's employment at Company A, Person A had access to, and was
 15 aware of, this material, non-public information (the "Company A Inside Information").

16 **THE INSIDER TRADING SCHEME**

17 11. From in or about September 2006 through in or about May 2007, Person B,
 18 Person C and ZAMAN participated in a scheme to defraud by executing securities transactions
 19 based on Lazard Inside Information and Company A Inside Information. ZAMAN
 20 misappropriated and passed to Person B the Lazard Inside Information, in violation of fiduciary
 21 and other duties of trust, confidence and confidentiality that ZAMAN owed to Lazard and its
 22 clients. Person B traded in the securities of, among others, Myogen and WebMethods, based
 23 upon the Lazard Inside Information, and shared some of his profits with ZAMAN. One such
 24 trade, among many, was Person B's purchase, on September 26, 2006, of forty (40) call options
 25 in Myogen, in an on-line brokerage account.

26 12. Person A passed to ZAMAN material, non-public information that Person A knew

1 about the Company A Transactions, in violation of fiduciary and other duties of trust, confidence
 2 and confidentiality that Person A owed to Company A. ZAMAN then passed the Company A
 3 Inside Information to Person B and Person C, or to Person B with knowledge that he would pass
 4 the information to Person C. Person B and Person C traded in the securities of Sabre Holdings,
 5 TXU Corporation and Alliance Data Systems, and shared some of their profits with ZAMAN by
 6 paying him cash and providing other financial benefits.

7 13. Person B, Person C and ZAMAN benefitted from participating in this insider
 8 trading scheme, which generated profits of at least \$407,000 but less than \$1,000,000.
 9 ZAMAN's personal financial benefit was approximately \$68,800.

10
 11 COUNT ONE: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5 and 240.10b5-2; 18
 12 U.S.C. § 2 (Securities Fraud)

13 14. Paragraphs 1 through 13 are realleged as if fully set forth herein.

14 15. On or about September 26, 2006, in the Northern District of California and
 15 elsewhere, the defendant,

16 ADNAN S. ZAMAN,

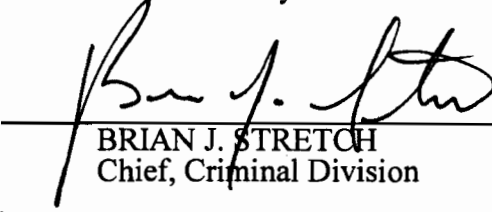
17 unlawfully, willfully and knowingly, directly and indirectly, by use of the means and
 18 instrumentalities of interstate commerce, the mails and the facilities of national securities
 19 exchanges, in connection with the purchase and sale of securities, did use and employ
 20 manipulative and deceptive devices and contrivances, and aided and abetted others in using and
 21 employing manipulative and deceptive devices and contrivances, in violation of Title 15, United
 22 States Code, Sections 78j (b) and 78ff, and Title 17, Code of Federal Regulations, Sections
 23 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2, by (a) employing
 24 devices, schemes and artifices to defraud; (b) making untrue statements of material facts and
 25 omitting to state material facts necessary in order to make the statements made, in the light of the
 26 circumstances under which they were made, not misleading; and (c) engaging in acts, practices
 27 and courses of business which operated and would operate as a fraud and deceit upon persons, to
 28 wit, ADNAN S. ZAMAN executed and caused others to execute a securities transaction in forty

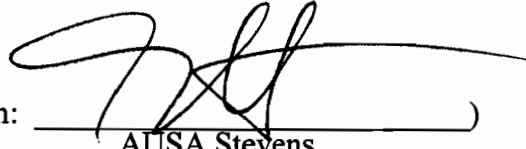
1 (40) call options of Myogen, Inc., based on material, non-public and confidential information
2 that ADNAN S. ZAMAN misappropriated from Lazard and disclosed to others in violation of his
3 fiduciary and other duties of trust, confidence and confidentiality to Lazard and its clients.

4
5 All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17,
6 Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and 18 U.S.C. Section 2.

7
8 DATED: December 16, 2009

9
10 JOSEPH P. RUSSONIELLO
United States Attorney

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12 
13 BRIAN J. STRETCH
Chief, Criminal Division

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15 (Approved as to form: )

16 AUSA Stevens
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